MINUTES - REGULAR MEETING
SANTA MARIA CITY COUNCIL

CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA

JUNE 5, 2012

INVOCATION:
Larry Cooney of Central Coast Rescue Mission gave the invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Cordero led the Pledge of Allegiance.

CALL TO ORDER:
Mayor Lavagnino called the Regular Meeting of the City Council to order at 6:30 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Boysen, Cordero, Orach, Patino and Mayor Lavagnino.

STAFF MEMBERS PRESENT
City Manager Haydon, City Attorney Trujillo, Acting Assistant City Manager Lara, Police Chief Macagni, Director of Public Works/City Engineer Whitehead, Director of Administrative Services Visé, Director of Utilities Sweet, Director of Community Development Appel, Director of Parks & Recreation Posada, Fire Chief Orr, Recreation Services Manager Reyburn, Planner III Halvorson, and Acting Chief Deputy City Clerk Garietz.

1. PROCLAMATIONS/PRESENTATIONS:

A. RESOLUTION FOR RICK SMITH.
Councilmember Cordero read Resolution No. 2012-59 honoring and commending Fire Captain Rick Smith for his 29 years of dedicated service to the City and community, congratulating him on his retirement and wishing him continued good health and many years of happiness in his future endeavors.

Resolution No. 2012-59 was adopted commending Rick Smith on motion by Councilmember Cordero, seconded by Councilmember Patino, and carried on the following vote:

AYES:	Councilmembers Boysen, Cordero, Orach, Patino, and Mayor Lavagnino
NOES:	None
ABSENT:	None
ABSTAIN:	None

Rick Smith thanked the City and City Council for their support, and is looking forward to a new chapter in his life.

Resolution No. 2012-59 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, COMMENDING FIRE CAPTAIN RICK SMITH FOR HIS YEARS OF DEDICATED SERVICE.

2. PUBLIC COMMENT
Vibiana Saavedra asked to speak on Item 4 on the Agenda because it was Election night and she could not stay until that item would be heard.

Mayor Lavagnino indicated the public comment period was the time to speak on items not on the agenda or a consent agenda item only. Regular Business Item 4 would be heard following the Consent Calendar.

Ernest Armenta commented on Item 3F on the Consent Calendar regarding the amendment to the agreement with Carl Warren & Company. He suggested that the administrator of the liability program should be neutral and independent from the City. The next time the agreement was ready for renewal, the City should go out to bid. He also spoke about Measure U and his opposition to it, as well as the City not providing funding to the Boys & Girls Club with the annual CDBG allocations.

Alan Sutterfield spoke about a safety issue with the flight pattern of firefighting aircraft over Miller School. He indicated that the aircrafts were Korean War vintage and repurposed for fighting fires. He stated that the FAA did not have the authority to apply regulations to governmental agencies as long as their aircraft were engaged in public missions. As well, it did not regulate the airworthiness and maintenance of military surplus aircraft in use by governmental agencies. He commented on two recent aircrafts that crashed doing firefighting duties in Nevada. He asked if a formal request could be

made by the City to have the aircrafts stay to the west of the City and make the turn over the Santa Maria Riverbed, rather than over the populated area and Miller school.

Mayor Lavagnino asked City Manager Haydon and Fire Chief Orr to look into the matter.

3. CONSENT CALENDAR
Councilmember Boysen asked to pull Item 3F for discussion.

Item 3F – Carl Warren & Company
Councilmember Boysen questioned the independence of Carl Warren & Company to administer the City's liability program. It would seem to him that the City would want the company to represent the City's interests.

City Manager Haydon responded that the City could administer the third party liability program itself with City staff. However, there was not enough personnel to manage the program in-house. Carl Warren & Company was the City's agent and were contracted to be relatively biased to protect the City's best interest.

Consent Calendar Items 3A through 3G were approved on motion by Councilmember Boysen, seconded by Councilmember Orach, and carried on the following vote:

AYES: Councilmembers Boysen, Cordero, Orach, Patino, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar were adopted by the same vote cast at the first reading unless City Council indicated otherwise.

B. MINUTES
The Minutes of the Regular City Council Meeting of May 15, 2012, were approved as submitted.

C. 2012-14 PROPOSED BUDGET
The City Council received the proposed 2012-14 Budget, directed staff to distribute the budget document, and set the time for a public hearing at the next regular City Council meeting on June 19, 2012.

D. WARRANTS
Warrant Nos. 172830 to 173106 totaling $4,568,978.93 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Administrative Services. Warrant Nos. 172700 and 172707 were cancelled.

E. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Administrative Services and having been approved for payment by the Director of Administrative Services.

F. LIABILITY PROGRAM AGREEMENT
Resolution No. 2012-60 was adopted authorizing the execution of an amendment to the existing Agreement with Carl Warren & Company for third party administrative services for the City's Liability Program.

Resolution No. 2012-60 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING THE EXECUTION OF AN AMENDMENT TO THE EXISTING AGREEMENT WITH CARL WARREN & COMPANY TO PROVIDE THIRD PARTY ADMINISTRATOR SERVICES FOR THE CITY'S LIABILITY PROGRAM.

G. AWARD OF BID
Resolution No. 2012-61 was adopted approving a contract with W.M. Lyles Co. to award Bid No. 2012/10, Wastewater Treatment Plant Primary Clarifier No. 1 Rehabilitation in the amount of 600,000.

Resolution No. 2012-61 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING A CONTRACT WITH W.M. LYLES CO. FOR BID NO. 2012/10, WASTEWATER TREATMENT PLANT PRIMARY CLARIFIER NO. 1 REHABILITATION.

REGULAR BUSINESS:

4. CONCEPTUAL REVIEW APPLICATION IN THE DOWNTOWN SPECIFIC PLAN: HANCOCK APARTMENTS, SP-2012-019.

Director of Community Development Appel gave the report as detailed in the written Council Agenda Report. The City Council is requested to provide non-binding input to the applicant, the Towbes Group, regarding a conceptual review application for a proposed high density residential apartment project within the Downtown Specific Plan (DTSP) area. The DTSP was approved by the City Council on November 4, 2008. It later received minor amendments on February 3, 2009. The DTSP was approved by the City Council after much community outreach and participation. The vision of the DTSP is to improve and strengthen the City's Downtown urban core. The applicant is interested in building approximately 230 multi-family apartment units located at 630 East Boone Street. The proposed project is located in the Railroad Loft District of the DTSP adjacent to the City's new multi-modal transit center. The property is 8.8 acres in size and is currently occupied by several industrial structures which would be demolished to accommodate the proposed residential project. The proposed project may include three or four story residential apartments with no commercial components. A density of approximately 26 units per acre is proposed, and the project is required to meet all development standards and guidelines of the Railroad Loft District. Staff offered Council two options: Option A, which is the recommendation of staff, to retain the DTSP vision for mixed-use incorporating first floor non-residential uses along a portion of Boone Street frontage, or replacing first floor non-residential with a separate non-residential component as a stand-alone buffer between the transit center and the proposed housing; or Option B, to modify the Railroad Loft's vision for mixed-use by interpreting the DTSP to allow a 100 percent residential development on the Hancock Trust Property, with the understanding that other properties within the Loft District may be more suitable for mixed-use; and work with City staff to identify components of the project that could be modified to reduce long-term impacts on the City for providing public services.

The Applicant, Michael Towbes of the Towbes Group, addressed the City Council. He spoke about his experience in the development business. He gave an overview of the project and the history of mixed-use projects that have been approved in the City. He stated that mix-use in a mid-block location on a lightly travelled street such a Boone Street, does not work and was an invitation for failure. The area was a relatively small area where mixed-use was mandatory in the DTSP. Mixed-use should not be required for every property developed in the Railroad Loft District. It should be in the downtown core on major thoroughfares such as Broadway and Main Street. He was not excluding commercial ventures in the downtown area, but requiring mixed-use on every lot in the Railroad Loft District would be a complete financial failure. The majority of the approved mixed-use projects have not been built. Mixed-use projects in Santa Maria have not proven themselves in Central Coast markets. He referred to a report from September 2006 by a real estate marketing research firm, The Siracusa Company, titled *Mixed-Use Development and the Santa Maria Downtown Specific Plan Railroad Loft District.* The report was prepared at the height of the development boom. The conclusion was the same at that time, as it was now, that mixed-use in this particular location was doomed to fail. The project would transition older industrial uses to new residential uses in the Downtown, provide an important connecting of bikeway path from Downtown toward Allan Hancock College, provide needed and attractive and well-managed apartments from a reputable development and management company. It would also respond to the realities and demands of the market, and would locate hundreds of new residents in the downtown area benefiting the Town Center Mall and other business.

Mike Grogan, Santa Maria-Bonita School District, spoke about current demographic conditions the City was facing and the effect it would have on the District's ability to provide educational facilities that students will need. He commented that the Towbes project would be comprised of 230 units, and even under tightly controlled rental policies, Hancock Apartments could potentially house up to 184 elementary- and junior high-age students. The Towbes Group's request was one of many more applications that would be coming before the Council to increase residential densities that would continue to drive up student enrollment, adding more pressure to already overcrowded schools. Without identifying school sites, the schools were going to suffer.

Nancy Stewart commented that the architecture of the new development should be considered, as well as off-street or restricted parking. She would like the developer to consider small businesses on the lower level, such as a hair salon, a donut shop, a public laundry mat, and a deli.

Pat Palangi, a commercial real estate agent, commented on the market and the viability of a mixed-use project. His company was asked to give input on what was in the market place and the viability for development for the property. His feedback to Mr. Towbes was that the project was in the middle of the block, immediately across from single-family residences, there were other locations on Miller Street that seemed to be stronger, more viable locations for the commercial component. His company would have a very difficult time leasing the commercial space on Boone Street facing the street.

Laurie Tamura stated that she worked with the City in developing the DTSP. The vision and goals of the DTSP did not mean that everything had to occur on every parcel. There should be a blending of mixed-uses throughout the DTSP area. The DTSP indicates that mixed-use was encouraged, not required. That provision was not changed in the matrix that was in another section of the DTSP. There were an inherent inconsistency. The proposed project is a beautiful one, and she encouraged the Council to allow the application to move forward.

Terry Flatley, developer, commented on his development project "Celebration" on Miller Street. He was offered an opportunity to place 42 residential units at the back of the property on Miller Street and put the mixed-use buildings at the front of the lot. In two years, one commercial lot was sold. Financing became a problem for buyers of the commercial units. He does not feel mixed-use is the right thing for Santa Maria.

Ernest Armenta commented that he thinks that a mixed-use project would be ideal at that Boone Street location. The baseball field, the Court House, and the Transit Center would offer the pedestrian traffic needed to service a small commercial building.

Randy Alonzo, Inland Pacific Builders, commented that he does not think this area would be appropriate for a mixed-use project. Inland Pacific Builders had entitled several properties with a mixed-use component to them. They were ultimately not built because they recognized prior to construction that the project would not be viable. He stated that mandating a commercial component would inhibit projects that could work.

Philip Kyle, Epstein & Associates, commented that his firm represents national and regional chain stores and retail landowners and developers. His firm was asked to review the viability of the project and site. The firm looked at demographics, traffic counts, business generators in the area, access, and potential co-tenancy. His firm rated the project site a C-, indicating that the retail was not viable at that site.

Ernest Siracusa, writer of the report titled *Mixed-Use Development and the Santa Maria Downtown Specific Plan Railroad Loft District*, discussed his background and his interest in mixed-use. In a mixed-use project, each use must be fully supported by the location as if it were to be developed as a stand-alone project. A mixed-use project will only be as successful as it's weakest use. The majority of mixed-use projects observed in his studies were located within a downtown core, typically viewed in a village-like environment, and was an established destination. There was no direct connection to the downtown core, and there was not an existing, established pattern of high level pedestrian and vehicular traffic. It continued to be his opinion that commercial uses are not economically viable within the Railroad Loft District and specifically in reference to Parcel D.

Mayor Lavagnino commented that Mr. Towbes' projects are first class. He has lived in one of his projects in the past and it was well managed and maintained. He stated that the City may have been a little strong on mandating mixed-use. At the time, he thought it was a good idea, that is was innovative, and that it would work. He would like to encourage some of the commercial uses, but he did not think the City should mandate something that possibly may not work. He supported the gated community concept. He indicated that he would ask the Council to allow staff to process the project and encourage, but not mandate, mixed-use.

Councilmember Boysen agreed with the Mayor's comments. He indicated that he was hesitant to weigh in on this matter since he was not part of the decision-making process of the DTSP. He did not see the property developed as a mixed-use project. The projects that have been built in Santa Maria have been less than stellar. He was confident that Mr. Towbes would present a first class project.

Councilmember Patino indicated that she had ex parte communications with Mr. Towbes, Mr. Perry and Mr. Schwartz last week. She asked Mr. Towbes to discuss how the property would be managed. She also asked him to address Mr. Grogan's concern about several families living in a single apartment. She also agrees with Mayor Lavagnino's comments and believes that mixed-use should not be mandatory. She indicated that she was not a great proponent of mixed-use.

Mr. Towbes indicated that the vision for the project was to have four, three-story elevator buildings. Sixty percent of the apartments would be one bedroom and the rest would be two bedroom. It was a community that would not encourage a lot of children, and would be developed as workforce housing. There would be three people on staff, plus maintenance and landscaping staff.

Councilmember Cordero commented that he was also not part of the developing of the DTSP. There was a great deal of thought and effort into making the right decisions. Given that the City has the advantage to look before it leaps, he wonders if the onus should be on the Council to consider some changes to the DTSP. Reviewing the projects on a case by case basis could be a viable way to respond to the mixed-use issue. He did not want to throw out the rules, but thought if there was a general consensus that the project would not be a viable one, the Council should consider

recommendations from staff on how it could be rewritten. He was in favor of looking into some alternative measure so that the City was not forcing someone into a financial situation that they were unable to recover from. He also suggested that the City partner with the school district to see what could be done to assist them with additional school sites. The population was going to increase significantly over the next 10-12 years.

Mayor Lavagnino stated that the Council was willing to bend. However, he did not want to see, at a later time, the developer coming back to argue about the fees to build the project.

Councilmember Orach commented about the vision that staff and the Council had at the time for the DTSP. He explained how the corridors would be connected. At the time, he thought it was a great idea. Councilmember Orach indicated that he had ex parte communications with the developer and Laurie Tamura. Councilmember Orach supported the project, but would still prefer to see some mixed-use included in the project, particularly with the new Transit Center. It was paramount that the City has a corridor that ties in Hancock College, the Transit Center, and the Town Center Mall. He said that Mr. Towbes had a great reputation and the project would develop into something very nice. He would like see the back side of the property developed in such a way that was conducive to hiking, biking, and traveling between Hancock College or to the east side of town under the Jones Street crossing.

Councilmember Boysen asked that the developer to work with the school districts since projects like this one impact the school district.

Mayor Lavagnino, Councilmembers Boysen and Cordero each indicated that they had ex parte communications with the developer.

The consensus of the Council supported the Hancock Apartment project at the proposed location and encouraged, not mandated, mixed-use if it was a viable option.

5. MODIFY THE FORMAT FOR THE ALL-AMERICA CITY COMMITTEE.

Director of Recreation and Parks Posada gave the report as detailed in the written Council Agenda Report. The City Council is requested to adopt a resolution to modify the format for the All-America City Committee (AACC) to: 1) remove specific and restrictive designations for Councilmember appointees; 2) reduce the number of appointees from nine to five; 3) promote community member participation through volunteer recruitment; 4) add a civic recognition component for groups enhancing the quality of life in the City; and 5) revise the 2010 Form and Function document to correlate with the proposed changes. The original composition of the Committee included representatives of the various interest groups in the City. It has proven difficult over time to maintain and recruit members. The Committee has done an outstanding job over the years. The City nonprofits, faith-based organizations, and residents step up and volunteer to take on various challenges the City faces. It was the hope that the Committee could recognize those groups on an annual basis in the spirit of keeping the All-America City Committee award alive.

There are currently five members on the Committee. Two of the members were appointed by Councilmember Orach, two were appointed by Councilmember Patino, and one was appointed by Councilmember Cordero which leaves the Mayor Lavagnino and Councilmember Boysen without a representative on the All-America City Committee. The current five members are Esther Acosta, Bailey Hudson, Tahir Massod, August (Bud) Narachi, and Karen Sanchez. Staff proposes that the Council establish these five members as the All-America City Committee to serve as the full committee until the new appointments are made. Annual appointments are made in January. At that time, each of the members of the Council would nominate a representative to the Committee to serve a one- or two-year term. Staff would bring the matter forward at a later date.

Councilmember Boysen and Mayor Lavagnino agreed to wait until January to nominate a representative to the Committee.

Councilmember Patino asked about the residency requirement that indicates members "should be residents of the City."

Councilmember Orach explained that with the education component of the Committee, the educators that came forward lived outside the City. Educators or people in the education industry who lived in City were not willing to come forward and take on the task. It, therefore, became problematic to retain or recruit for the education component.

Councilmember Patino indicated that she did not want to remove anyone currently on the Committee, but it seemed to her that All-America City Committee members should be residents of the City now that the designations will be removed.

The Council concurred with Councilmember Patino's suggestion to impose a residency restriction on new members.

Resolution No. 2012-62 was adopted modifying the format for the All-America City Committee on motion by Councilmember Orach, seconded by Councilmember Cordero, and carried on the following vote:

AYES: Councilmembers Boysen, Cordero, Orach, Patino, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2012-62 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ADOPTING A RESOLUTION TO MODIFY THE FORMAT FOR THE ALL-AMERICA CITY COMMITEE.

CITY MANAGER'S REPORT

City Manager Haydon reported on items anticipated for the June 19, 2012, City Council meeting including a couple of proclamations and a resolution recognizing Patti Rodriguez' retirement, the calling of the November 2012 General Municipal Election, an application for an Energy Efficiency Loan from the California Energy Commission to retrofit street lights, and the CDBG/HOME programs Final Action Plan for 2012-13 on the Consent Calendar, and a public hearing and adoption of the 2012-14 Budget.

City Manager Haydon indicated that the 2012-14 Budget was available for review online, in the City Clerk's office, and at the Santa Maria Public Library.

ORAL REPORTS BY COUNCILMEMBERS

Councilmember Boysen congratulated his parents on their 67th wedding anniversary. He reported that he attended an Economic Committee of North Santa Barbara County meeting. Cal Lutheran has approached the Committee about looking into the feasibility of opening a satellite campus in the Santa Maria Valley. He asked the Council to provide whatever support they would need. Having the presence of a four-year university in Santa Maria Valley was very exciting.

Councilmember Patino reported that she attended the Police Officers' Memorial, the Tourism Luncheon, the Strawberry Recognition Dinner, the Santa Maria Police Department Awards Banquet, the Memorial Day ceremonies at the cemetery and at the Elks Event Center, the Fire Station No. 3 relocation and dedication, the Elks mini rodeo and parade, and Law Enforcement Torch Run for Special Olympics. She also reminded the Council and the public that Brandman University also had a campus in Santa Maria.

Mayor Lavagnino reported that he attended Police Officers' Memorial, the Chamber of Commerce Tourism Luncheon, the SBCAG and APCD meetings in Santa Maria, the Good Samaritan Softball Game, a Marian Hospital Board Meeting, spoke on Q-104.5 radio show in San Luis Obispo, the Santa Maria Police Department Awards Banquet at Sunset Ridge, a ceremony for the presentation of a donation from Greka in the amount of $20,000 to the Boys & Girls Club, the Memorial Day ceremonies at the cemetery, the Fire Station No. 3 dedication and tours, the Elks parade and rodeo, and the Law Enforcement Torch Run event.

Councilmember Orach reported that he worked, and attended the Police Officers' Memorial, the Fire Station No. 3 relocation ceremony, and spoke at KUHL radio following the last Council meeting.

Councilmember Cordero reported that he attended the Police Officers' Memorial and barbeque at the Maldonado Center, a United Way meeting, the Good Samaritan softball game, took a tour of Windset Farms, attended the Strawberry Recognition Dinner at the Santa Maria Inn, an Altrusa meeting and dinner, a program at a Peoples' Self-Help Housing property on Enos Drive where PG&E presented a check in the amount of $25,000, the Memorial Day ceremonies at the cemetery and at the Elks Event Center, the Fire Station No. 3 relocation, the Elks mini rodeo, the Rodeo Parade, and the Rodeo.

CLOSED SESSION

The City Council recessed to a Closed Session at 8:37 p.m. to discuss Conference with Legal Counsel - Existing Litigation pursuant to Section 54956.9(a) of the Government Code. Olivia Villasenor v. City of Santa Maria, et al., North Santa Barbara County Superior Court, Case No. 1388027.

After the Closed Session the following reporting was given:

Conference with Legal Counsel - Existing Litigation: Direction to staff was provided.

ADJOURNMENT

There being no further business to come before the City Council at this time, the meeting was declared adjourned by Councilmember Patino in memory of Roland Lanini at 8:45 p.m.

APPROVED

June 19, 2012
Date

Acting Chief Deputy City Clerk of the City of Santa Maria and ex officio ~~Clerk~~ of the City Council

Mayor of the City of Santa Maria

ATTEST

Acting Chief Deputy City Clerk